

---

## STAFF MEMORANDUM FOR CITY COUNCIL MEETING

---

**TO:** Honorable City Council

**FROM:** David Nelson, Nevada City CDBG Program Manager

**SUBJECT:** Community Development Block Grant (CDBG) Program (Public Hearing)

**DATE:** May 14, 2014

### **ISSUE STATEMENT AND DISCUSSION:**

Summary: In 2012 the City was awarded a grant in the amount of \$600,000 from the Community Development Block Grant (CDBG) program, of which \$462,500 is to be used for economic development programs. The grant provides for administration costs, business lending, business grants, business classroom training and one-on-one business counseling. The grant expires September 30, 2015.

CDBG Economic Development Programs & Guideline Approval Request: The programs are the Microenterprise Financial Assistance Program (MFAP), Microenterprise Technical Assistance Program (MTAP), and the Business Assistance Loan Program (BALP). Staff has prepared guidelines for all three programs, and in April 2014, the CDBG gave approval to proceed on all loan programs. The CDBG program requires Council approval prior to implementing the programs. The guidelines are submitted for Council review and approval.

Specific Program Parameters: They are summarized below:

- **Microenterprise:** A CDBG microenterprise business is a business owned by a person(s) from a low income family, and the business has five or fewer employees. Low income is defined as 80% of the County household median income, adjusted by family size. Current microenterprise businesses must be located within City limits. Microenterprise start-ups are also eligible, but the owners of this new business must live within City limits, and whenever the business is launched, it must be located within City limits.
  - **Microenterprise Technical Assistance Program:** This program consists of free classroom instruction and one-on-one business counseling. Classroom instructions will consist of a series of five basic business classes that is repeated as the need arises.
  - **Microenterprise Financial Assistance Program (loans/grants):** Loans up to \$50,000. Grants up to \$10,000.
- **Business Assistance:** There are no income requirements or restriction on the number of employees; however, job creation is required. For every \$35,000 of loan funds, one Full Time Equivalent (FTE) must be created (or retained, in the event of a job retention situation). Fifty one percent of the FTEs created or retained must come from a low income household, and “a significant number of employees” hired/retained must be City residents. Start-ups are eligible, but new business must be located w/in City limits. Loan maximum is up to \$105,000.

Loan Programs-Financial Review: All loan and grant applications must undergo a rigorous financial review process, which includes providing at least 2 years of financial projections and a business plan. All loan and grant applicants must be approved by a City loan review committee (comprised of local volunteers knowledgeable in solid business practices). MALP loans/grants are approved locally. BALP loans are approved locally and by the CDBG program.

Contract Review and Approval Request for MTAP Consultants: Two consultants have been preliminarily selected through a CDBG approved procurement process, one for classroom training and one for counseling. For each contractor, the deciding factor was the cost per unit of service delivery. Staff will closely monitor the consultants for program integrity and progress. While the

total budget for the MTAP is \$102,213, the proposed combined budgets for the contractors is significantly less than this figure due to the limited time remaining on the grant.

- Classroom Training: The Northeastern California Small Business Development Center, Greater Sacramento/Sierra (SBDC) was selected to conduct the classroom training. The proposed contract is attached. Budget: \$15,000. At approximately \$2,000 per five class session, this budget provides for up to 6 sessions (with allowances for overflow attendance) for the remaining 15 months of the active grant period.
- Business Counseling: Sierra Commons was selected. The proposed contract is attached. Budget: \$40,000. At \$80/hr, this budget provides for approximately eight hours of counseling a week for the remaining 15 months of the active grant period.

Attachments: In addition to this staff report, attachments include:

- Guidelines for all three programs are attached, but the attachments to the guidelines, such as the loan document, miscellaneous CDBG forms (as well as attachments to the attachments) are not included due to the large number of pages they consist of. They are available for review upon request.
  - Microenterprise Technical Assistance Services Program
  - Microenterprise Financial Assistance Program
  - Business Assistance Loan Program
- Resolution approving all three guidelines
- Contract, Exhibit A (scope) and Exhibit B (CDBG City Contract) for Sacramento SBDC
- Contract, Exhibit A (scope) and Exhibit B (CDBG City Contract) for Sierra Commons

#### **FINANCIAL AND/OR POLICY IMPLICATIONS:**

There is no City General Fund impact. All activities are funded by the CDBG grant, which expires on September 30, 2015. Operational costs and loan/grants are paid through grant fund administrative allowances. The loan/grant and training activity budget is below. CDBG allows adjustments to line items between the MFAP and BALP should the need arise.

MTAP: \$ 102,213  
MFAP: \$ 245,310  
BALP: \$ 45,603  
Admin: \$ 69,374

Total: \$ 462,500

## **RESOLUTION NO. 2014-XX**

**A RESOLUTION approving the City's Community Development Block Grant (CDBG) guidelines for the Microenterprise Technical Assistance, Microenterprise Financial Assistance, and Business Assistance Loan Programs, and the contractor selection to conduct the training and counseling under the Microenterprise Technical Assistance Program**

**WHEREAS**, the City was awarded a portion of the CDBG grant (12-CDBG-8402) in the amount of \$462,500 to operate the Microenterprise Technical Assistance, Microenterprise Financial Assistance, and the Business Assistance Loan Programs, and

**WHEREAS**, the budget for these programs are as follows:

\$ 102,213	Microenterprise Technical Assistance
\$ 245,310	Microenterprise Financial Assistance
\$ 45,603	Business Assistance
\$ 69,374	<u>Program Administration</u>
\$ 462,500	Total

**WHEREAS**, the CDBG program requires program guidelines be approved by the Council to operate the Microenterprise Technical Assistance, Microenterprise Finance Assistance, and Business Assistance Loan programs, and

**WHEREAS**, the City has drafted the guidelines pursuant to CDBG standards, the CDBG program has approved each guidelines on January 28, 2014, and each guideline is submitted herein for Council's approval, and

**WHEREAS**, the CDBG program allows for the City to contract out select portions of these programs, and the City has chosen to contract out the business training and business counseling portions of the Microenterprise Technical Assistance, and

**WHEREAS**, through a property noticed procurement process approved by the CDBG program conducted in the first quarter of 2014, the City has selected the Northeastern California Small Business Development Center, Greater Sacramento/Sierra (SBDC) to conduct the microenterprise business training, and Sierra Commons has been selected to conduct the microenterprise business counseling, and

**WHEREAS**, the contracts for the SBDC (not to exceed \$15,000) and Sierra Commons (not to exceed \$40,000) have been submitted to Council for their review and approval, and



**THEREFORE BE IT RESOLVED** by the City Council of the City of Nevada City as follows:

**SECTION 1.**

The City Council approves the guidelines for the Microenterprise Technical Assistance, Microenterprise Financial Assistance, and Business Assistance Loan Programs, and

**SECTION 2.**

The City Council approves the contractor selection as indicate above, and

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Nevada City held on the 14<sup>th</sup> day of May, 2014 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

**Sally Harris, Mayor**

**ATTEST:**

---

**Niel Locke, City Clerk**  
**City of Nevada City**



---

---

**STAFF MEMORANDUM FOR CITY COUNCIL MEETING**

---

---

**TO:** Honorable City Council

**FROM:** David Nelson, Nevada City CDBG Program Manager

**SUBJECT:** Community Development Block Grant (CDBG) Program Income Reuse Plan  
(Public Hearing)

**DATE:** May 14, 2014

**AGENDA ITEM:** Program Income Reuse Plan

**ISSUE STATEMENT AND DISCUSSION:**

The City is an active participant in the Community Development Block Grant (CDBG) program in that through grant 12-CDBG-8402, the City has received a CDBG award for \$600,000. Of this amount, \$462,500 is for economic development programs, a portion of which provides for business loan programs.

Any loan payments are referred to as “program income.” Since there is an expectation that the City will execute business loans and receive loan payments, the City is required to execute an updated Program Income Reuse Plan. This plan documents the acceptable usages of program income and how the City will hold and expend any program income received.

While there are multiple activities to place program income into, at this time, any program income received will be split evenly between the Microenterprise Financial Assistance Program and the Business Assistance Loan Program. In the future, should the City opt to change this placement, it may do so through a public hearing.

The City last updated its Program Income Reuse Plan in 2011, but the CDBG program is now requiring the City to execute an updated version of this plan.

**FINANCIAL AND/OR POLICY IMPLICATIONS:**

There is no City General Fund impact. All program income activities are funded through CDBG activity and administrative allowances for program income.





**RESOLUTION NO. 2014-XX**

**A RESOLUTION approving the City's Community Development Block Grant (CDBG)  
Updated Program Income Reuse Plan**

**Whereas**, the City received a CDBG grant (12-CDBG-8402) in the amount of \$600,000; and

**Whereas**, \$462,500 of the grant award provides for business loan programs; and

**Whereas**, any loan payments are considered by the CDBG program to be "Program Income, the expenditures of which is governed by a document entitled the "Program Income Reuse Plan; and

**Whereas**, the CDBG program requires the City to update their Program Income Reuse plan with the most current version.

**THEREFORE BE IT RESOLVED** by the City Council of the City of Nevada City as follows:

**SECTION 1.**

The City Council approves the updated CDBG Program Income Reuse Plan.

**PASSED AND ADOPTED at a regular meeting of the City Council of the City of Nevada  
City held on May 14, 2014 by the following vote:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

**Sally Harris, Mayor**

**ATTEST:**

---

**Niel Locke, City Clerk**



**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
(CDBG)  
PROGRAM INCOME (PI) REUSE PLAN  
WITH  
JURISDICTIONAL CERTIFICATIONS**

*This Agreement provides official notification of the Jurisdiction's PI Reuse Plan's (hereinafter, "PI Reuse Plan") approval under the State's administration of the Federal Community Development Block Grant Program (hereinafter, "CDBG" or "the Program") for Non-entitlement jurisdictions pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program.*

*By completing this PI Reuse Plan and signing the end of this document, the Authorized Representative certifies the Jurisdiction has read, understands and will adhere to the Program Income (PI) Reuse Plan detailed in the first section of this document, the PI definitions and rules in the second section of this document, and Department of Housing and Community Development (the Department herein) terms and conditions in the third section of this document.*

---

**SECTION ONE: PROGRAM INCOME (PI) REUSE PLAN**

---

**JURISDICTION:** Nevada City

**GOVERNING BODY ADOPTED ON:** 05/14/2014

This PI Reuse plan establishes policies and procedures for the administration and utilization of PI received as a direct result of eligible activities funded under the State of California CDBG Program (Department). All revenue received from CDBG funded activities are required to be used per this adopted plan.

**DISTRIBUTION OF PROGRAM INCOME**

*Introduction: There are six (6) methods of distribution for PI listed below. The four (4) non-Revolving Loan Account obligation methods are optional and can be used on a case-by-case basis as needed for activity funding by the Jurisdiction.*

*The use of one or more Revolving Loan Account (RLA) is mandatory under this adopted PI Reuse Plan.*

The Nevada City certifies that PI will only be distributed, as follows:



1. **Deposit into Revolving Loan Accounts (RLAs)**

The following RLAs are hereby established to utilize the \_\_\_\_\_ Nevada City \_\_\_\_\_ PI. *If an RLA activity is not going to be utilized, zero percent (0%) is to be indicated in percentage area below.* One or more of the RLAs will be utilized annually. The allocation of receipted PI to each RLA is as follows:

- A. 0 (insert percentage, 0 to 100 percent (0%-100%)) of PI received will be deposited into the **Housing Rehabilitation – Single Family (1-4 Units)** Revolving Loan Account (**HR-RLA**).
- B. 0 (insert percentage, 0 to 100 percent (0%-100%)) of PI received will be deposited into the **Homeownership Assistance** Revolving Loan Account (**HA-RLA**).
- C. 50 (insert percentage, 0 to 100 percent (0%-100%)) of PI received will be deposited into the **Business Assistance** Revolving Loan Account (**BA-RLA**).
- D. 50 (insert percentage, 0 to 100 percent (0%-100%)) of Receipted PI will be deposited into the **Microenterprise Financial Assistance** Revolving Loan Account (**ME-RLA**).

2. **PI Waiver Activity**

The \_\_\_\_\_ Nevada City \_\_\_\_\_ may utilize the Department's PI Waiver process to commit PI to eligible activities that are not considered RLAs. The \_\_\_\_\_ Nevada City \_\_\_\_\_ will follow all PI Waiver procedural requirements as stated in the Program Income chapter of the Grant Management Manual (GMM). The \_\_\_\_\_ Nevada City \_\_\_\_\_ will obtain prior Department approval before expending any PI funds on a Waiver project. A PI Waiver project can only be approved if the total project/program cost for the proposed activity is on hand in the Jurisdiction's PI account. The \_\_\_\_\_ Nevada City \_\_\_\_\_ understands that PI Waiver activities are limited to two "active" projects and/or programs and will remain active until close out has been completed and approved by the Department.

3. **Committal to Funding Application**

The \_\_\_\_\_ Nevada City \_\_\_\_\_ may choose to commit non-obligated RLA funds to one or more activities in an annual CDBG application for funding. Committed PI can only be expended when application and activities with committed PI are awarded, contracted, and have all special conditions cleared. PI committed to an application for grant funding must have the PI on hand at the time of application submittal and may not remove or add to the PI amount committed without prior Department approval.



**4. Augmenting Funding to An Awarded Activity/Project**

\_\_\_\_\_ Nevada City \_\_\_\_\_ may request that the Department allow PI to be added to a funded activity/project due to a funding short fall. To obtain Department approval, the \_\_\_\_\_ Nevada City \_\_\_\_\_ will submit justification to their CDBG Representative outlining in detail the need/reason for the augmentation of funding.

If the Department approves the augmentation (requires a Department contract amendment) the \_\_\_\_\_ Nevada City \_\_\_\_\_ would need to complete a Citizen Participation process before the Department would begin a contract amendment process.

This option only applies to awarded activities/projects and the Department will not approve adding a new activity to an awarded contract.

**5. Fund Program Income General Administration (PI GA) Activities**

The \_\_\_\_\_ Nevada City \_\_\_\_\_ may set aside up to seventeen percent (17%) of PI received from activities funded with CDBG funds for payment of eligible General Administration costs. The \_\_\_\_\_ Nevada City \_\_\_\_\_ may choose to move the PI GA to eligible CDBG activities, as noted above, but once the funds are removed from the PI GA account they cannot be put back at a later date.

**6. Return to the Department**

The \_\_\_\_\_ Nevada City \_\_\_\_\_ has the option to return PI back to the Department.

**ADMINISTRATIVE PROCESS FOR DISTRIBUTION OF  
PROGRAM INCOME**

*Introduction: CDBG is a federal funding source and requires a Citizen Participation process as part of utilizing any of the six (6) methods of distribution for PI listed above.*

*Below is a general description of how to conduct proper Citizen Participation process for each of the six (6) distribution methods. See the Department's current Grant Management Manual (GMM) Chapter on Citizen Participation for specific information and sample documents.*

\_\_\_\_\_ Nevada City \_\_\_\_\_ certifies that:

1. The PI Reuse Plan will be formally adopted via public hearing and resolution of \_\_\_\_\_ Nevada City \_\_\_\_\_'s Governing Body, executed by Authorized Representative and fully executed by the Department. After the PI Reuse Plan is executed, the Jurisdiction reserves the right to set aside up to seventeen percent (17%) of PI received for payment of eligible GA costs. RLA activities which have PI funds being deposited into them may be activated with written Departmental approval.





The PI Reuse Plan may be amended by the \_\_\_\_\_ Nevada City \_\_\_\_\_'s Governing Body to change the distribution percentages in a RLA via public hearing and resolution, and receipt of the Department's written approval.

2. All PI Waiver requests will be submitted for the Department's written approval. After the Department's review of the activity for Eligibility and National Objective compliance, the PI Waiver will be formally adopted via public hearing and resolution of the \_\_\_\_\_ Nevada City \_\_\_\_\_'s Governing Body, as part of the PI Waiver Special Condition Clearance process.
3. PI committed to an open CDBG Contract to augment funding for an activity or committed to a pending application for grant funds will be formally adopted via public hearing and approval via resolution for an annual application submittal. Department approval and PI must be on hand.
4. Once a PI Reuse Plan has been executed by the Department, it is then in effect. GA PI funds can then be expended for eligible costs. GA PI funds will not be expended once the Reuse Plan is terminated by either party or the Reuse Plan has reached the 5 year expiration.
5. PI will be returned to the Department after a public hearing and formal resolution is passed by the \_\_\_\_\_ Nevada City \_\_\_\_\_'s Governing Body.
6. Each of the above administrative processes must be in compliance with the CDBG Citizen Participation process as specified in federal regulations at 24 CFR 570.486, Local Government Requirements.

### **ADMINISTRATION OF ELIGIBLE ACTIVITIES AFTER DISTRIBUTION**

*Introduction: Administration of all CDBG eligible activities conducted under the distribution methods must be conducted in compliance with all current State and federal regulations and policies.*

*The \_\_\_\_\_ Nevada City \_\_\_\_\_ will follow the Department's guidance for administering RLA activities, PI Waiver activities, or activities funded with PI committed to an open grant contract per the Department's current GMM Chapter regarding PI.*

*If ineligible activities or costs are paid for with CDBG PI, those funds must be returned to the \_\_\_\_\_ Nevada City \_\_\_\_\_ PI account using local jurisdiction funds.*

#### **1. RLA Administration**

The \_\_\_\_\_ Nevada City \_\_\_\_\_ certifies that the four RLAs under this PI Reuse Plan will be administered under the following criteria:

- A. RLAs with a balance must be "**substantially revolving**," which means on an annual basis at least 60 percent (60%) of the funds in an RLA must be used for loans which will be repaid to a PI account, based on the distribution noted in this plan. Up to the remaining 40 percent (40%) may be expended on non-revolving activities, which include Activity Delivery (AD), and grants for the same activity as the RLA.



**Note: General Administration costs are not considered part of the jurisdiction's RLA Activities and should not be used in the consideration of "substantially revolving".**

- B. A RLA which is the same activity as any funded open grant activity will be "substantially expended" before grant funds are requested for the grant activity.

The Department considers "**substantially expended**", to mean having no more than \$5,000 in a RLA.

- C. PI funds shall not be transferred between RLAs after execution of this Plan without following the proper CDBG Citizen Participation process, which includes a public hearing resulting in a certified resolution being submitted to the Department for written approval. However, the transfer of PI between RLAs each fiscal year, in the aggregate amount of \$5,000 or less, is not be subject to the Citizen Participation requirement, as stated above; but does require prior written Department approval.
- D. All PI funded activities shall be provided to project activities located within the boundaries of the Nevada City.

If an additional jurisdiction(s) receives benefit, a Joint Power's Agreement (JPA) between Jurisdictions(s) is required. The Nevada City must receive written approval from the Department prior to implementation and prior to parties' execution of the JPA between the parties.

- E. The Nevada City will submit program guidelines specific to each RLA activity for written Department approval. Once approval is issued to the Jurisdiction, the RLA will then be deemed active.
- F. This PI Reuse Plan will not be executed by the Department until all RLAs have clear distribution percentages listed above, and have Department approved program guidelines.

All CDBG PI Reuse Plans are limited to a five (5) year term from the date of execution.

PI funds within an RLA cannot be expended until this PI Reuse Plan is executed.

- G. Reporting on RLAs and other PI Activities will be required per the Department's current policies, including financial accounting of PI received and expended for RLAs and other PI Activities. Additionally, PI performance (National Objective data and beneficiary demographics) reported as HUD required accomplishment information will be required to be submitted in a timely manner or the Jurisdiction understands that it will be required to repay a PI account for ineligible cost or activities.



- H. AD costs are **only eligible** if one or more projects are funded and accomplishments (such as beneficiaries), for those activity(ies), on an annual basis, are reported on.

## **2. Eligible RLA Activities**

The four (4) RLA(s) listed below each have a single eligible CDBG program activity. The Nevada City certifies that all CDBG rules pertaining to each eligible activity will be followed.

### **A. Housing Rehabilitation Revolving Loan Account**

The CDBG eligible activity under this RLA is a single-family housing rehabilitation program. The program will be used for the purpose of making loans to rehabilitate residential units (1-4 units), occupied by income eligible households. The CDBG National Objective of benefit to Low/Moderate-income (Low/Mod) households will be met by limiting program participants to households that have an annual income at or below eighty percent (80%) of HUD median income limits for the Nevada City's **county**. Households will be income qualified based on the income calculation method specified in 24 CFR Part 5, and in accord with the Department's Income Manual.

Rehabilitation of "projects" (projects with five (5) or more units on one site) is not allowed under this RLA. Projects with five or more units must be funded via the annual grant process or through the PI Waiver process.

Jurisdictions wishing to include tenant occupied projects for the Housing Rehabilitation program must submit separate (distinguishable from the Owner Occupied Housing Rehabilitation guidelines) guidelines outlining the unique tenant occupied rules and processes.

The review and funding of requests for CDBG loans or grant assistance under this RLA shall be conducted under the Housing Rehabilitation Program Guidelines that have been adopted by Nevada City and approved in writing by the Department.

No more than 19 percent (19%) of program funds expended from this RLA shall be used for AD costs.

### **B. Homeownership Assistance (Homebuyer) Revolving Loan Account**

The CDBG eligible activity under this RLA is acquisition of single family housing. The program will be used for the purpose of making loans to assist income eligible homebuyers to purchase a residential property (1-4 units). The CDBG National Objective of benefit to Low/Mod-income households will be met by limiting program participants to households that have an annual income at or below eighty percent (80%) of HUD median income limits. Households will be income qualified based on income calculation method specified in 24 CFR Part 5 and in accord with the Department's Income Manual.



The review and funding of requests for CDBG loans or grant assistance under this RLA shall be conducted under the Homeownership Assistance Program Guidelines that have been adopted by the Nevada City and approved in writing by the Department.

No more than 8 percent (8%) of the funds expended from this RLA shall be used for AD costs.

**C. Business Assistance Revolving Loan Account**

The CDBG eligible activity of Special Economic Development will be conducted under this RLA. Specifically, the RLA will fund a business assistance program that provides direct financial assistance for eligible businesses that propose projects which create or retain permanent jobs. The CDBG National Objective being met by the Special Economic Development activity will typically be benefit to Low/Mod-income persons. As such, at least fifty one percent (51%) of the full time job positions created or retained will be made available to persons whose households have an annual income at or below 80 percent (80%) or less of the Nevada City's **county** median income. Income eligibility is based on the income calculation method specified in 24 CFR Part 5, and in accord with the Department's Income Manual.

Business assistance projects under this RLA program may also meet the National Objective of elimination of slums and blight, but this must be approved by the Department in writing as part of the initial business's loan application.

Local review and underwriting of business assistance projects requesting a CDBG loan under this RLA shall be conducted under the Business Assistance Program Guidelines that have been adopted by Nevada City and approved in writing by the Department.

Each individual project funding request made under this RLA program must be submitted for Department review and written approval, prior to closing the loan.

No more than 15 percent (15%) of the total funds expended for business assistance activities shall be used for AD costs.

**D. Microenterprise Assistance Revolving Loan Account**

The CDBG eligible activity of direct financial assistance to eligible microenterprise businesses will be conducted under this RLA. Specifically, the RLA will fund a microenterprise direct financial assistance program that provides financial assistance to start up or existing microenterprise businesses. Eligible businesses must meet the HUD definition of microenterprise. A microenterprise is defined as a business that has five (5) or fewer employees including the owner(s). The only CDBG National Objective which will be used for this activity is benefit to Low/Mod-income households. As such, micro business owners assisted





under this program must be documented as having an annual household income at or below 80 percent (80%) of the Jurisdiction's **county** median income, based on income calculation method specified in 24 CFR Part 5, and in accord with the Department's Income Manual.

Local review and underwriting of microenterprise business assistance projects requesting a CDBG loan or grant under this RLA shall be conducted under the Microenterprise Financial Assistance Program Guidelines that have been adopted by the Nevada City and approved in writing by the Department.

Each individual project funding request made under this RLA program must be submitted for Department review and written approval, prior to closing the loan.

No more than 15 percent (15%) of the total funds expended for business assistance activities shall be used for AD costs.

### **3. Administration of Non-RLA Program Income Expenditures**

#### **A. Program Income Waiver Eligible Activities**

Nevada City certifies that the PI Waiver Submission Process below will be followed if a PI Waiver is to be requested:

- 1) This process will involve discussion at a properly noticed public hearing, held in front of the Nevada City's Governing Body, and submission of a Certified Resolution as part of a PI Waiver Request to the Department, in accordance with current Department policy, and any subsequent policy, regulation, or statutory-guidance, in writing, from The Department.
- 2) Final commitment and expenditure of PI Waiver funds will not commence until clearance of all required Special Conditions have been met, and written Department approval has been issued to the Nevada City.
- 3) Reporting on PI Waiver activities will take place per current Departmental policies and include financial accounting of PI received and expended for PI Waivers and PI Waiver activity performance.
- 4) PI Waiver activities must be fully funded with program income already on hand. Therefore, future PI may not be pledged to the PI Waiver activity.
- 5) Only two (2) PI Waiver agreements may be open and active at any one time.



**B. Program Income Committed in an Annual Grant Application and Included in an Open Grant Agreement**

Nevada City certifies that the PI Committed to a funded Annual CDBG Application will be:

- 1) Funded with PI currently on hand;  
***Future PI may not be pledged to an open grant activity.***
- 2) Expended first and prior to requesting grant funds;
- 3) Administered in accordance with terms and conditions of the grant contract with the Department; and,
- 4) Reported using the Department's current PI and fiscal reporting forms. All PI activity performance data will be reported using grant and fiscal reports.

**C. Program Income Added to an Existing Open Grant**

Nevada City certifies that the PI committed to an existing CDBG Grant will be:

- 1) Approved by the Department, with a Grant Amendment fully executed before PI can be committed to a grant activity.
- 2) Funded with PI currently on hand.  
***Future PI may not be pledged to an open grant activity.***
- 3) Expended first and prior to requesting grant funds.
- 4) Administered in accordance with terms and conditions of the grant contract with the Department.
- 5) Reported using the Department's current PI and fiscal reporting forms. All PI activity performance data will be reported using grant and fiscal reports.

**4. Program Income General Administration (PI GA) Cost Limitation and Activities**

Nevada City certifies that no more than 17 percent (17%) of the total amount of PI received annually will be expended for PI GA costs. These funds will accumulate annually and be carried from one fiscal year to the next if unexpended.

If more funds are expended than what is available in PI GA, the Jurisdiction will be required to return the over-expended GA amount back into their PI Account. *Additionally, any ineligible PI GA costs will also be required to be returned to their PI Account.*



GA eligible costs for PI are the same as open grant agreements with the Department. See the current CDBG Grant Management Manual (GMM) for list of eligible activities and allowable costs.

PI GA activity costs will be reflected on fiscal reports submitted to the Department as per current reporting forms and policies.

**A. Planning Activities**

The \_\_\_\_\_ Nevada City \_\_\_\_\_ reserves the option of utilizing PI, within the 17 percent (17%) PI GA annual cap to fund planning studies for CDBG eligible activities.

All proposed planning activities must receive written Department approval prior to expending PI on the activity.

Eligible planning activities funded with PI are the same as open grant agreements with the Department. See current NOFA for a list of eligible planning studies.

All planning activities must have a final product (report or study) resulting from the expenditure of PI.

Upon completion of the planning activity, the study must be formally accepted by the Jurisdiction and submitted to the Department for review.

The planning activity costs will be reflected on fiscal reports submitted to the Department.

**B. Loan Portfolio and Asset Management Policies and Costs**

The \_\_\_\_\_ Nevada City \_\_\_\_\_ certifies that it has asset management policies and loan portfolio servicing policies that are in compliance with HUD standards per 24 CFR Part 570. The use of CDBG funds creates public financial assets. The public financial assets created can be in the form of loans or other repayment instruments which result in PI. Financial assets may also be in the form of real property or chattel (equipment and fixtures). All assets created from the use of CDBG funds must be administered in compliance with OMB Circulars A-87, A-122 A-133, 24 CFR Part 85.

Loan payment tracking and collection systems must be put in place for collection purposes of all loans funded with CDBG. In addition, loan servicing policies and procedures must be in place to service the loan assets, ensuring repayment.

Costs of managing the portfolio of CDBG funded loans may be charged to PI under GA within the allowable limits set by the Department.





# City of Nevada City

## Staff Memorandum for City Council Meeting of May 14, 2014

**TO:** Honorable City Council  
**FROM:** Dave Brennan, City Manager  
**SUBJECT:** Consideration of Adopting Resolution 2014-XX Approving, Authorizing and Directing Execution of an Amended and Restated Joint Exercise of Powers Agreement Relating to the **Joining** the California Statewide Communities Development Authority for the Purpose of Holding a Public Hearing and Consider Future Adoption of Required Resolutions in order to Participate in the CaliforniaFIRST Program to Allow Owners of Property in Nevada City to Finance Renewable Energy, Energy Efficiency and Water Efficiency Improvements on Their Property Using a Property Assessed Clean Energy (PACE) Program.

**RECOMMENDATION:** 1) Discuss the staff report  
2) Adopt Resolution 2014-XX Approving execution of Amended and Restated Joint Powers Agreement to join CSCDA  
3) Discuss the CaliforniaFIRST program  
4) Open the Public Hearing  
5) Continue the Public Hearing to May 28<sup>th</sup>  
6) Provide direction to the City Manager if Council chooses to proceed

**BACKGROUND & DISCUSSION:** The City received the attached letter from California Statewide Communities Development Authority, which is sponsored by the California League of Cities and the California State Association of counties, inviting us to join the CaliforniaFIRST Program which is a Property Assessed Clean Energy (PACE) program in which property owners can elect to participate in to finance energy efficiency improvements, renewable energy projects, and water efficiency improvements on their property.

In order to participate, the city will need to first join CSCDA by adopting a resolution and executing the joint powers agreement with the other 500+ public agency members (including Nevada County, Grass Valley and Auburn). There is no charge or any costs incurred by joining CSCDA. The benefit of joining is being able to draw upon the public financing expertise when and if the city needs to secure long term financing for major infrastructure, tax revenue anticipation notes or housing financing projects.

The public hearing was scheduled with the intent of providing the Council the opportunity to adopt the required resolutions (samples attached) and join the CaliforniaFIRST Program. Unfortunately, I was unable to acquire the answers to questions I had regarding administration for the CaliforniaFIRST Program in time for the agenda packet. Basically, time was overtaken by other unforeseen matters.

However, if and when the City Council decides to proceed to adopt the resolutions to join the CalFIRST program, CSCDA will undertake the "contractual assessment" proceedings to allow the financing for the energy and water efficiency projects on private property. Pursuant to Chapter 29 of Division 7 of the Streets & Highways Code, assessments may be levied to finance renewable energy,

energy efficiency and water efficiency improvements only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied, and property owners evidence their consent to the assessments by executing a contract with CSCDA.

The benefits to the property owner include:

- Only property owners who choose to participate in the program will have assessments imposed on their property.
- In today's economic environment, there may not be attractive private enterprise alternatives for property owners to finance renewable energy, energy efficiency, and/or water efficiency improvements.
- Even if there were private enterprise alternatives, most private loans are due on sale of the benefited property, which makes it difficult for property owners to match the life of the repayment obligation with the useful life of the financed improvements. Under the CalFIRST Program, the assessment obligation will transfer with the property upon sale.
- The property owner can choose to pay off the assessments at any time, subject to applicable prepayment penalties.
- Regional aggregation provided by the CalFIRST Program, provides the program scale and the investment sizing that attracts private capital providers.

The benefits to Nevada City are:

- As in Conventional assessment financing, the City is not obligated to repay the bonds issued by CSCDA or to pay the assessments levied on the participating properties.
- CSCDA handles all assessment administration, bond issuance and bond administration functions. A participating city can provide financing or renewable energy, energy efficiency and water efficiency improvements to property owners through the CalFIRST Program - thereby meeting its environmental goals - while committing virtually no staff time to administer the program. At the same time, the program is flexible enough to be able to incorporate city resources such as enhance marketing and outreach as determined by the city.

The proposed resolution authorizes CSCDA to accept applications from owners of property within the city for municipal financing of renewable energy, energy efficiency and water efficiency improvements through the CalFIRST Program. It also authorizes CSCDA to conduct assessment proceedings and levy assessments against the property of participating owners within the city. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law. CSCDA will undertake a judicial validation proceeding as part of its initiation of the CalFIRST Program.

Any jurisdiction can withdraw from the CalFIRST Program at any time by passing a resolution rescinding the authorization. Participating jurisdictions are also free to develop and operate other financing programs, including alternative PACE programs, independently of, but concurrent to CalFIRST.

**FISCAL IMPACT:** There may be a cost for the initial formation of contractual assessment proceedings. It is recommended that those expenses be identified prior to joining CalFIRST Program



RECEIVED

APR 21 2014

CITY OF NEVADA CITY



David Brennan  
City Manager  
317 Broad Street  
Nevada City, CA 95959

Dear David Brennan,

Two years ago, the California Statewide Communities Development Authority (CSCDA) established the CaliforniaFIRST program, a Property Assessed Clean Energy (PACE) program to serve its member cities and counties. Through CaliforniaFIRST, CSCDA issues bonds to provide financing for private property owners that wish to install renewable energy, energy efficiency and water efficiency improvements on their property and to repay the financing as an assessment on their property tax bill.

The CaliforniaFIRST program is currently operating in 17 counties and 167 cities in California. The program operates pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, which is commonly referred to as "AB 811".

CSCDA has the authority to establish a PACE program in the territory of each city and county that is a member of CSCDA. Historically, CSCDA established CaliforniaFIRST programs only in the counties and cities that asked it to do so. However, this piecemeal approach resulted in a lengthy, expensive process, most notably as a result of the judicial validation process. Consequently, CSCDA has decided to establish a CaliforniaFIRST program in the 40 remaining counties that are members of CSCDA in which it does not currently operate a CaliforniaFIRST program and to file a single related judicial validation action. The savings in legal and administrative costs from this approach will be passed on to property owners.

We want to make it very clear, however, that CSCDA will **not** operate the CaliforniaFIRST program within the boundaries of your City unless and until your City Council passes a resolution asking CSCDA to operate the CaliforniaFIRST program in its territory. A sample resolution is enclosed. If the City Council does not ask CSCDA to operate the CaliforniaFIRST program in its territory, the program will remain dormant in that territory. If the City Council does want to join the program, please visit [https://californiafirst.org/opt\\_in](https://californiafirst.org/opt_in) to download a sample staff report, editable version of the resolution to join, and instructions on public notice.



CaliforniaFIRST program representatives can assist the appropriate member of your staff about the resolution to join the program.

If you have any questions, or wish to discuss the program, please contact the CSCDA Program Manager, Caitlin Lanctot:

Caitlin Lanctot,  
Program Manager, CSCDA  
Telephone: (925) 280-4394  
Email: [clanctot@cacommunities.org](mailto:clanctot@cacommunities.org)

Thank you in advance for your consideration.

Regards,

A handwritten signature in black ink, appearing to read "Chris McKenzie". The signature is fluid and cursive, with the first name "Chris" and last name "McKenzie" clearly distinguishable.

Chris McKenzie  
Executive Director  
League of California Cities



**RESOLUTION NO. 2014-XX**

**RESOLUTION APPROVING, AUTHORIZING AND DIRECTING  
EXECUTION OF AN AMENDED AND RESTATED JOINT EXERCISE OF  
POWERS AGREEMENT RELATING TO THE CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY**

**WHEREAS**, the City of Nevada City, California has expressed an interest in participating in the economic development financing programs in conjunction with the parties to that certain Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority, dated as of June 1, 1988; and

**WHEREAS**, There is now before this City Council the form of the Agreement; and

**WHEREAS**, the City proposes to participate in the Programs and desires that certain projects to be located within the City be financed pursuant to the Programs and it is in the public interest and for the public benefit that the City do so; and

**WHEREAS**, the Agreement has been filed with the City Clerk, and the members of the City Council of the City, with the assistance of its staff, have reviewed said document.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEVADA CITY AS FOLLOWS:**

**Section 1.** The Agreement is hereby approved and the Mayor of the City is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by said City Council, and the City Clerk is hereby authorized and directed to affix the City's seal to said document and to attest thereto.

**Section 2.** The Mayor of the City, the Interim City Manager, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

**Section 3.** The City Clerk shall forward a certified copy of this resolution and an originally executed Agreement to:

Kathleen Jacobe  
Orrick, Herrington & Sutcliffe LLP  
400 Capital Mall, Suite 3000  
Sacramento, CA 95814

**Section 4.** This resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** by the City Council of the City of Nevada City at a regular meeting of said City Council held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote:

**AYES:**

**NOES:**

**ABSENT/ABSTAIN:**

\_\_\_\_\_  
**Sally Harris, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Niel Locke, City Clerk**

5



**AMENDED AND RESTATED  
JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY**

THIS AGREEMENT, dated as of June 1, 1988, by and among the parties executing this Agreement (all such parties, except those which have withdrawn in accordance with Section 13 hereof, being herein referred to as the "Program Participants"):

**WITNESSETH**

**WHEREAS**, pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

**WHEREAS**, each of the Program Participants is a "public agency" as that term is defined in Section 6500 of the Government Code of the State of California, and

**WHEREAS**, each of the Program Participants is empowered to promote economic development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, and the increase of the tax base, within its boundaries; and

**WHEREAS**, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue industrial development bonds pursuant to the California Industrial Development Financing Act (Title 10 (commencing with Section 91500 of the Government Code of the State of California)) (the "Act") and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of law to promote economic development through the issuance of bonds, notes, or other evidences of indebtedness, or certificates of participation in leases or other agreements (all such instruments being herein collectively referred to as "Bonds"); and

**WHEREAS**, in order to promote economic development within the State of California, the County Supervisors Association of California ("CSAC"), together with the California Manufacturers Association, has established the Bonds for Industry program (the "Program").

**WHEREAS**, in furtherance of the Program, certain California counties (collectively, the "Initial Participants") have entered into that certain Joint Exercise of Powers Agreement dated as of November 18, 1987 (the "Initial Agreement"), pursuant to which the California Counties Industrial Development Authority has been established as a separate entity under the Joint Exercise of Powers Act for the purposes and with the powers specified in the Initial Agreement; and

**WHEREAS**, the League of California Cities ("LCC") has determined to join as a sponsor of the Program and to actively participate in the administration of the Authority; and

**WHEREAS**, the Initial Participants have determined to specifically authorize the Authority to issue Bonds pursuant to Article 2 of the Joint Exercise of Powers Act ("Article 2") and Article 4 of the Joint Exercise of Powers Act ("Article 4"), as well as may be authorized by the Act or other applicable law; and

**WHEREAS**, the Initial Participants desire to rename the California Counties Industrial Development Authority to better reflect the additional sponsorship of the Program; and

**WHEREAS**, each of the Initial Participants has determined that it is in the public interest of the citizens within its boundaries, and to the benefit of such Initial Participant and the area and persons served by such Initial Participant, to amend and restate in its entirety the Initial Agreement in order to implement the provisions set forth above; and

**WHEREAS**, it is the desire of the Program Participants to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake projects within their respective jurisdictions that may be financed with Bonds issued pursuant to the Act, Article 2, Article 4, or other applicable provisions of law; and

**WHEREAS**, the projects undertaken will result in significant public benefits, including those public benefits set forth in Section 91502.1 of the Act, an increased level of economic activity, or an increased tax base, and will therefore serve and be of benefit to the inhabitants of the jurisdictions of the Program Participants;

**NOW, THEREFORE**, the Program Participants, for and in consideration of the mutual promises and agreements herein contained, do agree to restate and amend the Initial Agreement in its entirety to provide as follows:



**Section 1.      Purpose.**

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act, relating to the joint exercise of powers common to public agencies, in this case being the Program Participants. The Program Participants each possess the powers referred to in the recitals hereof. The purpose of this Agreement is to establish an agency for, and with the purpose of, issuing Bonds to finance projects within the territorial limits of the Program Participants pursuant to the Act, Article 2, Article 4, or other applicable provisions of law; provided, however that nothing in this Agreement shall be construed as a limitation on the rights of the Program Participants to pursue economic development outside of this Agreement, including the rights to issue Bonds through industrial development authorities under the Act, or as otherwise permitted by law.

Within the various jurisdictions of the Program Participants such purpose will be accomplished and said powers exercised in the manner hereinafter set forth.

**Section 2.      Term.**

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period of forty (40) years from the date hereof, or until such time as it is terminated in writing by all the Program Participants; provided, however, that this Agreement shall not terminate or be terminated until the date on which all Bonds or other indebtedness issued or caused to be issued by the Authority shall have been retired, or full provision shall have been made for their retirement, including interest until their retirement date.

**Section 3.      Authority.**

**A.      CREATION AND POWERS OF AUTHORITY.**

(1) Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Statewide Communities Development Authority" (the "Authority"), and said Authority shall be a public entity separate and apart from the Program Participants. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any party to this Agreement.

**B.      COMMISSION.**

The Authority shall be administered by a Commission (the "Commission") which shall consist of seven members, each

serving in his or her individual capacity as a member of the Commission. The Commission shall be the administering agency of this Agreement, and, as such, shall be vested with the powers set forth herein, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein.

Four members of the Commission shall be appointed by the governing body of CSAC and three members of the Commission shall be appointed by the governing body of LCC. Initial members of the Commission shall serve a term ending June 1, 1991. Successors to such members shall be selected in the manner in which the respective initial member was selected and shall serve a term of three years. Any appointment to fill an unexpired term, however, shall be for such unexpired term. The term of office specified above shall be applicable unless the term of office of the respective member is terminated as hereinafter provided, and provided that the term of any member shall not expire until a successor thereto has been appointed as provided herein.

Each of CSAC and LCC may appoint an alternate member of the Commission for each member of the Commission which it appoints. Such alternate member may act as a member of the Commission in place of and during the absence or disability of such regularly appointed member. All references in this Agreement to any member of the Commission shall be deemed to refer to and include the applicable alternate member when so acting in place of a regularly appointed member.

Each member or alternate member of the Commission may be removed and replaced at any time by the governing body by which such member was appointed. Any individual, including any member of the governing body or staff of CSAC or LCC, shall be eligible to serve as a member or alternate member of the Commission.

Members and alternate members of the Commission shall not receive any compensation for serving as such but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member or alternate member, if the Commission shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

#### C. OFFICERS; DUTIES; OFFICIAL BONDS.

The Commission shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among its members to serve for such term as shall be determined by the Commission. The Commission shall appoint one or more of its officers or

employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve for such term as shall be determined by the Commission.

Subject to the applicable provisions of any resolution, indenture or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived.

The Treasurer of the Authority shall have the powers, duties and responsibilities specified in Section 6505.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Commission but in no event less than \$1,000. If and to the extent permitted by law, any such officer may satisfy this requirement by filing an official bond in at least said amount obtained in connection with another public office.

The Commission shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Commission shall have the power, by resolution, to the extent permitted by the Joint Exercise of Powers Act or any other applicable law, to delegate any of its functions to one or more of the members of the Commission or officers or agents of the Authority and to cause any of said members, officers or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Commission or the Authority.

#### D. MEETINGS OF THE COMMISSION.

##### (1) Regular Meetings.

The Commission shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Commission and a copy of such resolution shall be filed with each party hereto.

(2) Special Meetings.

Special meetings of the Commission may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California.

(3) Ralph M. Brown Act.

All meetings of the Commission, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California).

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Commission and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Commission.

(5) Quorum.

A majority of the members of the Commission which includes at least one member appointed by the governing body of each of CSAC and LCC shall constitute a quorum for the transaction of business. No action may be taken by the Commission except upon the affirmative vote of a majority of the members of the Commission which includes at least one member appointed by the governing body of each of CSAC and LCC, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Commission such rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Authority shall have any and all powers relating to economic development authorized by law to each of the parties hereto and separately to the public entity herein created, including, without limitation, the promotion of opportunities for the creation and retention of employment, the stimulation of economic activity, and the increase of the tax base, within the jurisdictions of such parties. Such powers shall include the common powers specified in this

Agreement and may be exercised in the manner and according to the method provided in this Agreement. All such powers common to the parties are specified as powers of the Authority. The Authority is hereby authorized to do all acts necessary for the exercise of such powers, including, but not limited to, any or all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity; to sue and be sued in its own name; and generally to do any and all things necessary or convenient to the promotion of economic development, including without limitation the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, and the increase of the tax base, all as herein contemplated. Without limiting the generality of the foregoing, the Authority may issue or cause to be issued bonded and other indebtedness, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, including Article 2 and Article 4, the Act or any other applicable provision of law.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California county could exercise such powers and perform such duties until a California general law city shall become a Program Participant, at which time it shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

#### **Section 5.      Fiscal Year.**

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by the Authority, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 1988.

**Section 6.      Disposition of Assets.**

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2 hereof, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Program Participants and shall thereafter remain the sole property of the Program Participants; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Program Participants.

**Section 7.      Bonds.**

The Authority shall issue Bonds for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement. Said Bonds may, at the discretion of Authority, be issued in series.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The fees and expenses of such counsel, consultants, advisors, and the expenses of CSAC, LCC, and the Commission shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

**Section 9.      Local Approval.**

A copy of the application for financing of a project shall be filed by the Authority with the Program Participant in whose jurisdiction the project is to be located. The Authority shall not issue Bonds with respect to any project unless the governing body of the Program Participant in whose jurisdiction the project is to be located, or its duly authorized designee, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Action to approve or disapprove a project shall be taken within 45 days of the filing with the Program Participant. Certification of approval or disapproval shall be made by the clerk of the governing body of the Program Participant, or by such other officer as may be designated by the applicable Program Participant, to the Authority.

**Section 8.      Bonds Only Limited and Special Obligations of Authority.**

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Program Participant, CSAC, or LCC or pledge of the faith and credit of the Program Participants, CSAC, LCC, or the

Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds or the respective project costs except from revenues and other funds pledged therefor. Neither the Program Participants, CSAC, LCC, nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Program Participants nor the faith and credit of CSAC, LCC, or the Authority shall be pledged to the payment of the principal of, premium, if any, or interest on the Bonds nor shall the Program Participants, CSAC, LCC, or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any member of the Commission, or any officer, agent or employee of the Authority in his individual capacity and neither the Commission of the Authority nor any officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

#### **Section 10.      Accounts and Reports.**

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Program Participant.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Agency by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with each Program Participant and also with the county auditor of each county in which a Program Participant is located. Such report shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Commission may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

The Treasurer of the Authority, within 120 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to each of the Program Participants to the extent such activities are not covered by the reports of the trustees for the Bonds. The trustee appointed under each Indenture shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out this Agreement.

**Section 11. Funds.**

Subject to the applicable provisions of each Indenture, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Section 10 hereof, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions or purposes of this Agreement.

**Section 12. Notices.**

Notices and other communications hereunder to the Program Participants shall be sufficient if delivered to the clerk of the governing body of each Program Participant.

**Section 13. Withdrawal and Addition of Parties.**

A Program Participant may withdraw from this Agreement upon written notice to the Commission; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding under an Indenture. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Commission which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.



Qualifying public agencies may be added as parties to this Agreement and become Program Participants upon: (i) the filing by such public agency of an executed counterpart of this Agreement, together with a certified copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (ii) adoption of a resolution of the Commission approving the addition of such public agency as a Program Participant. Upon satisfaction of such conditions, the Commission shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

**Section 14. Indemnification.**

To the full extent permitted by law, the Commission may authorize indemnification by the Authority of any person who is or was a member or alternate member of the Commission, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member or alternate member of the Commission, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

**Section 15. Contributions and Advances.**

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the parties hereto for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the party making such advance at the time of such advance.

**Section 16. Immunities.**

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, all pension, relief, disability, workers' compensation, and other benefits which apply to the activity of officers, agents or employees of Program Participants when performing their

respective functions within the territorial limits of their respective public agencies, shall apply to them to the same degree and extent while engaged as members of the Commission or otherwise as an officer, agent or other representative of the Authority or while engaged in the performance of any of their functions or duties extraterritorially under the provisions of this Agreement.

**Section 17. Amendments.**

Except as provided in Section 13 above, this Agreement shall not be amended, modified, or altered except by a written instrument duly executed by each of the Program Participants.

**Section 18. Effectiveness.**

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Program Participants at 9:00 a.m., California time, on the date that the Commission shall have received from each of the Initial Participants an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Participant approving this Agreement and the execution and delivery hereof.

**Section 19. Partial Invalidity.**

If anyone or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 20. Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no party may assign any right or obligation hereunder without the consent of the other parties.

**Section 21. Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement is made in the State of California, under the Constitution and laws of such state and is to be so construed.

This Agreement is the complete and exclusive statement of the agreement among the parties hereto, which supercedes and merges all prior proposals, understandings, and other agreements, including, without limitation, the Initial Agreement, whether oral, written, or implied in conduct, between and among the parties relating to the subject matter of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

**Program Participant:**

[SEAL]

By \_\_\_\_\_

**Name:**

**Title:**

**ATTEST:**

By \_\_\_\_\_

**Name:**

**Title:**



RESOLUTION NO. \_\_\_\_\_

**RESOLUTION DECLARING INTENTION TO FINANCE INSTALLATION OF  
DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY  
EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS**

**2014 PROGRAM EXPANSION**

**WHEREAS**, the California Statewide Communities Development Authority ("California Communities") is authorized under the authority granted California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") to authorize assessments to finance the installation of distributed generation renewable energy sources, and energy efficiency and water efficiency improvements that are permanently fixed to real property ("Authorized Improvements"); and

**WHEREAS**, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the counties listed at Schedule I (each, a "County") and the cities in Los Angeles County listed at Schedule II (each, a "City in Los Angeles County"; together with the Counties, the "Covered Jurisdictions"); and

**WHEREAS**, California Communities wishes to declare its intention to establish a CaliforniaFIRST program (the "CaliforniaFIRST Program") in each Covered Jurisdiction, pursuant to which California Communities, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in each Covered Jurisdiction; and

**WHEREAS**, California Communities has previously established the CaliforniaFIRST Program in 17 counties of the State of California, and the Covered Jurisdictions represent the remainder of California Communities' county-members and the cities in Los Angeles County that are members of California Communities (Los Angeles County is not currently a member of California Communities); and

**WHEREAS**, prior to entering into contractual assessments to finance the installation of Authorized Improvements with the owner of any property that is located within a Covered Jurisdiction, California Communities intends to require certain prior consent:

(i) in the unincorporated territory of each County, the County must consented after its board of supervisors holds a public hearing as required under Section 6586.5 of the Government Code;

(ii) in the incorporated territory of a city located within a County, the city must consent after its legislative body holds a public hearing as required under Section 6586.5 of the Government Code; and

(iii) in a City in Los Angeles County, the City in Los Angeles County must consent after its legislative body holds a public hearing as required under Section 6586.5 of the Government Code;

**NOW, THEREFORE, BE IT RESOLVED** by the California Statewide Communities Development Authority, as follows:

**Section 1. Findings.** California Communities hereby finds and declares the following:

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in each County.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) The upfront cost of making residential, commercial, industrial, or other real property more energy and water efficient, along with the fact that most commercial loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.
- (e) A public purpose will be served by establishing a contractual assessment program, to be known as the CaliforniaFIRST Program, pursuant to which California Communities will finance the installation of Authorized Improvements to residential, commercial, industrial, or other real property in each Covered Jurisdiction.

**Section 2. Determination of Public Interest.** California Communities hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of each Covered Jurisdiction, within which California Communities and property owners within each Covered Jurisdiction may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29 and (b) it is in the public interest for California Communities to finance the installation of Authorized Improvements in each Covered Jurisdiction pursuant to Chapter 29.

**Section 3. Identification of Authorized Improvements.** California Communities hereby declares that it proposes to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including but not limited to those improvements detailed in the Report described in Section 7 below, as that Report may be amended from time to time.

**Section 4. Identification of Boundaries.** Contractual assessments may be entered into by property owners located within the entire geographic territory of each Covered Jurisdiction; provided, however, that California Communities shall not enter into contractual assessments to finance the installation of Authorized Improvements with the owner of any property in a Covered Jurisdiction unless requested to do so as follows:

- (i) with respect to the unincorporated territory in a County, by the County after its board of supervisors holds a public hearing as required under Section 6586.5 of the Government Code;

(ii) with respect to the incorporated territory of a city in a County, by the city after its legislative body holds a public hearing as required under Section 6586.5 of the Government Code; and

(iii) with respect to the incorporated territory of a City in Los Angeles County, by the City in Los Angeles County after its legislative body holds a public hearing as required under Section 6586.5 of the Government Code.

For purposes of clarity, California Communities may operate the CaliforniaFIRST Program within the incorporated territory of a city that is located in a County that has made the request, and held the requisite public hearing, described in the previous sentence notwithstanding the fact that it is located in a County that has not made such request, or held such public hearing, for the County's unincorporated territory. Similarly, California Communities may operate the CaliforniaFIRST Program within the incorporated territory of a City in Los Angeles County that has made the request, and held the requisite public hearing, described in the second previous sentence notwithstanding the fact that Los Angeles County has not made such request, or held such public hearing, for the unincorporated territory in Los Angeles County.

The form of resolution pursuant to which each County, any cities located within a County or any City in Los Angeles County, may request California Communities to enter into contractual assessments to finance the installation of Authorized Improvements is attached as Exhibit A.

**Section 5. Proposed Financing Arrangements.** Under Chapter 29, California Communities may issue bonds pursuant to Chapter 29 that are payable by contractual assessments and California Communities may advance its own funds to finance work to be repaid through contractual assessments, and may from time to time sell bonds to reimburse itself for such advances. Division 10 (commencing with Section 8500) of the Streets & Highways Code of the State (the "Improvement Bond Act of 1915") shall apply to any bonds issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29.

California Communities shall determine the creditworthiness of a property owner to participate in the financing of Authorized Improvements based on the criteria developed by the Program Manager in consultation with the CaliforniaFIRST Program financing team.

In connection with bonds issued under the Improvement Bond Act of 1915 that are payable from contractual assessments, serial and/or term improvement bonds shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date) and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by California Communities at the time of the issuance and sale of the bonds. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of California Communities to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. California Communities will not advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the bonds; provided, however, that this determination shall not prevent California Communities from, in its sole discretion, so advancing funds. The bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding of the bonds, upon the conditions specified by and at the determination of California Communities.

California Communities hereby authorizes the Program Manager, upon consultation with bond counsel, to provide for the issuance of bonds payable from contractual assessments.

In connection with the issuance of bonds payable from contractual assessments, California Communities expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

**Section 6. Public Hearing.** Pursuant to the Act, California Communities hereby orders that a public hearing be held before this Commission, at 1400 K Street, 3rd Floor, Sacramento, CA 95814, on June 12, 2014, at 10:00 a.m., or such later date and time selected by the Executive Director, for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 7 below shall be summarized and the Commission shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed contractual assessment program, the extent of the area proposed to be included within the program, the terms and conditions of the draft Contract described in Section 7 below, or the proposed financing provisions. Following the public hearing, California Communities may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

**Section 7. Report.** The Commission hereby directs the Program Manager for the CaliforniaFIRST Program to prepare and file with the Commission a report (the "Report") at or before the time of the public hearing described in Section 6 above containing all of the following:

(a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.

(b) A draft contract (the "Contract") specifying the terms and conditions that would be agreed to by California Communities and a property owner within each Covered Jurisdiction. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.

(c) A statement of California Communities' policies concerning contractual assessments including all of the following:

(1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.



(2) Identification of the California Communities official authorized to enter into contractual assessments on behalf of California Communities.

(3) A maximum aggregate dollar amount of contractual assessments in the Covered Jurisdictions.

(4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.

The statement shall also include a brief description of criteria for determining the underwriting requirements, and safeguards that will be used to ensure that the total annual property tax and assessments on the property will not exceed 5% of the property's market value, as determined at the time of approval for the owner's contractual assessment.

(d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by California Communities through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration, and collection of the contractual assessment program among the consenting property owners and California Communities.

(e) A report on the results of the consultations with each county auditor-controller described in Section 9 below concerning the additional fees, if any, that will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the related county on real property, and a plan for financing the payment of those fees.

**Section 8. Nature of Assessments.** Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by California Communities, the assessments shall be collected in the same manner and at the same time as the general taxes of each county on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

**Section 9. Consultations with County Auditor-Controller.** California Communities hereby directs the Program Manager to enter into consultations with the auditor-controller for each County and Los Angeles County in order to reach agreement on what additional fees, if any, will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the related county on real property.

**Section 10. Preparation of Current Roll of Assessment.** Pursuant to Section 5898.24(c), California Communities hereby designates the Program Manager (or his/her designee) as the responsible official for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

**Section 11. Procedures for Responding to Inquiries.** The Program Manager shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

**Section 12. Professionals Appointed.** California Communities hereby appoints Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel to California Communities in connection with the CaliforniaFIRST Program. The Commission hereby authorizes and directs an Authorized Signatory of California Communities (as determined from time to time by the Commission by separate resolution) to enter into appropriate agreements with such firm for its services to California Communities in connection with the matters addressed in this Resolution.

**Section 13. Effective Date.** This resolution shall take effect immediately upon its adoption.

\*\*\*\*\*

PASSED AND ADOPTED by the California Statewide Communities Development Authority this April 17, 2014.

I, the undersigned, the duly appointed, and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on April 17, 2014.

By: \_\_\_\_\_  
Member

## **SCHEDULE I**

### **LIST OF COUNTIES**

Alpine	Mono
Amador	Nevada
Butte	Orange
Calaveras	Placer
Colusa	Plumas
Contra Costa	Riverside
Del Norte	San Bernardino
El Dorado	San Francisco
Glenn	San Joaquin
Humboldt	Santa Barbara
Imperial	Shasta
Inyo	Sierra
Kings	Siskiyou
Lake	Sonoma
Lassen	Stanislaus
Madera	Sutter
Mariposa	Tehama
Mendocino	Trinity
Merced	Tuolumne
Modoc	Yuba

## **SCHEDULE II**

### **LIST OF CITIES WITHIN LOS ANGELES COUNTY**

Agoura Hills	Gardena	Paramount
Alhambra	Glendale	Pasadena
Arcadia	Glendora	Pico Rivera
Artesia	Hawaiian Gardens	Pomona
Avalon	Hawthorne	Rancho Palos Verdes
Azusa	Hermosa Beach	Redondo Beach
Baldwin Park	Huntington Park	Rolling Hills Estates
Bell	Industry	San Dimas
Bell Gardens	Inglewood	San Gabriel
Bellflower	La Mirada	San Marino
Beverly Hills	La Verne	Santa Clarita
Burbank	Lakewood	Santa Fe Springs
Calabasas	Lancaster	Santa Monica
Carson	Lomita	South Gate
Claremont	Long Beach	South Pasadena
Commerce	Los Angeles	Temple City
Compton	Lynwood	Torrance
Covina	Maywood	Vernon
Cudahy	Monrovia	Walnut
Culver City	Montebello	West Covina
Downey	Monterey Park	West Hollywood
Duarte	Norwalk	Westlake Village
El Monte	Palmdale	Whittier
El Segundo	Palos Verdes Estates	

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE [CITY OF \_\_\_\_/COUNTY OF \_\_\_\_] TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE [CITY/COUNTY]; AND AUTHORIZING RELATED ACTIONS**

**WHEREAS**, the California Statewide Communities Development Authority ("CSCDA") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the [City of \_\_\_\_/County of \_\_\_\_] ([the "City"/"County"]); and

**WHEREAS**, CSCDA has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

**WHEREAS**, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

**WHEREAS**, the [City/County] desires to allow the owners of property within its jurisdiction ("Participating Property Owners") to participate in the CaliforniaFIRST Program and to allow CSCDA to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

**WHEREAS**, CSCDA will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements;

**WHEREAS**, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by CSCDA in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall [if a County: be coterminous with the County's official boundaries of record at the time of adoption of the ROI] [if a City: include all of the territory within the City's official boundaries of record] (the "Proposed Boundaries"); and

**WHEREAS**, [if a City: the City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program] [if a County: the County will not be responsible for the conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program]; and

**WHEREAS**, pursuant to Government Code Section 6586.5, a notice of public hearing has been published once at least five days prior to the date hereof in a newspaper of general circulation in the [City/County] and a public hearing has been duly conducted by this [City Council/Board of Supervisors] concerning the significant public benefits of the CaliforniaFIRST Program and the financing of the Improvements;

**NOW, THEREFORE, BE IT RESOLVED** by the [City Council/Board of Supervisors] of the [County of \_\_\_\_/City of \_\_\_\_] as follows:

Section 1. On the date hereof, the [City Council/Board of Supervisors] held a public hearing and the [City Council/Board of Supervisors] hereby finds and declares that the issuance of bonds by CSCDA in connection with the CaliforniaFIRST Program will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the [City/County].

Section 2. In connection with the CaliforniaFIRST Program, the [City/County] hereby consents to the conduct of special assessment proceedings by CSCDA pursuant to Chapter 29 on any property within the Proposed Boundaries and the issuance of Bonds under the 1915 Act; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;

(2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(3) [If a city: The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.] [If a county: The County will not be responsible for the conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.]

(4) The issuance of Bonds will occur following receipt of a final judgment in a validation action filed by CSCDA pursuant to Code of Civil Procedure Section 860 that the Bonds are legal obligations of CSCDA.

Section 3. Pursuant to the requirements of Chapter 29, CSCDA has prepared and will update from time to time the "Program Report" for the CaliforniaFIRST Program (the "Program Report"), and CSCDA will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4. The appropriate officials and staff of the [City/County] are hereby authorized and directed to make applications for the CaliforniaFIRST program available to all property owners who wish to finance Improvements; provided, that CSCDA shall be responsible for providing such applications and related materials at its own expense. The following staff

persons, together with any other staff persons chosen by the [City Manager/County Administrator] from time to time, are hereby designated as the contact persons for CSCDA in connection with the CaliforniaFIRST Program: \_\_\_\_\_[specify name of individual or position].

Section 5. The appropriate officials and staff of the [City/County] are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by CSCDA in accordance with the Program Report to implement the CaliforniaFIRST Program for Participating Property Owners.

Section 6. The [City Council/Board of Supervisors] hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 7. This Resolution shall take effect immediately upon its adoption. The [City Clerk/Clerk of the Board] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of CSCDA.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by the following vote, to wit:

<b>AYES:</b>	Council/Board Members _____
<b>NOES:</b>	Council/Board Members _____
<b>ABSENT:</b>	Council/Board Members _____
<b>ABSTAIN:</b>	Council/Board Members _____

**EXHIBIT A**

**FORM OF RESOLUTION DECLARING INTENTION  
TO FINANCE INSTALLATION OF  
DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES,  
ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS**



**EXHIBIT A**

**FORM OF RESOLUTION AUTHORIZING CALIFORNIA COMMUNITIES TO CONDUCT  
CONTRACTUAL ASSESSMENT PROCEEDINGS AND  
LEVY CONTRACTUAL ASSESSMENTS**

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE [CITY OF \_\_\_\_/COUNTY OF \_\_\_\_] TO JOIN THE  
CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE  
COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM  
PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND  
LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE  
[CITY/COUNTY]; AND AUTHORIZING RELATED ACTIONS**

**WHEREAS**, the California Statewide Communities Development Authority ("California Communities") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the [City of \_\_\_\_/County of \_\_\_\_] ([the "City"/"County"]); and

**WHEREAS**, California Communities has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

**WHEREAS**, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

**WHEREAS**, the [City/County] desires to allow the owners of property within its jurisdiction ("Participating Property Owners") to participate in the CaliforniaFIRST Program and to allow California Communities to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

**WHEREAS**, California Communities will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements;

**WHEREAS**, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall [*if a County*: be coterminous with the County's official boundaries of record at the time of adoption of the ROI] [*if a City*: include all of the territory within the City's official boundaries of record] (the "Proposed Boundaries"); and

**WHEREAS**, [*if a City*: the City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case

of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program] [if a County: the County will not be responsible for the conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program]; and

**WHEREAS**, pursuant to Government Code Section 6586.5, a notice of public hearing has been published once at least five days prior to the date hereof in a newspaper of general circulation in the [City/County] and a public hearing has been duly conducted by this [City Council/Board of Supervisors] concerning the significant public benefits of the CaliforniaFIRST Program and the financing of the Improvements;

**NOW, THEREFORE, BE IT RESOLVED** by the [City Council/Board of Supervisors] of the [County of \_\_\_\_/City of \_\_\_\_] as follows:

Section 1. On the date hereof, the [City Council/Board of Supervisors] held a public hearing and the [City Council/Board of Supervisors] hereby finds and declares that the issuance of bonds by California Communities in connection with the CaliforniaFIRST Program will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the [City/County].

Section 2. In connection with the CaliforniaFIRST Program, the [City/County] hereby consents to the conduct of special assessment proceedings by California Communities pursuant to Chapter 29 on any property within the Proposed Boundaries and the issuance of Bonds under the 1915 Act; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;

(2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(3) [If a city: The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.] [If a county: The County will not be responsible for the conduct of any assessment proceedings; the levy of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program.]

(4) The issuance of Bonds will occur following receipt of a final judgment in a validation action filed by California Communities pursuant to Code of Civil Procedure Section 860 that the Bonds are legal obligations of California Communities.

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the "Program Report" for the CaliforniaFIRST

Program (the "Program Report"), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4. The appropriate officials and staff of the [City/County] are hereby authorized and directed to make applications for the CaliforniaFIRST program available to all property owners who wish to finance Improvements; provided, that California Communities shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the [City Manager/County Administrator] from time to time, are hereby designated as the contact persons for California Communities in connection with the CaliforniaFIRST Program: \_\_\_\_\_[specify name of individual or position].

Section 5. The appropriate officials and staff of the [City/County] are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by California Communities in accordance with the Program Report to implement the CaliforniaFIRST Program for Participating Property Owners.

Section 6. The appropriate officials and staff of the [City/County] are hereby authorized and directed to pay California Communities a fee in an amount not to exceed \$\_\_\_\_, which California Communities will use to pay for the costs of implementing the CaliforniaFIRST Program in the [City/County], including the payment of legal costs incurred in connection with judicial validation of the CaliforniaFIRST Program.

Section 7. The [City Council/Board of Supervisors] hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 8. This Resolution shall take effect immediately upon its adoption. The [City Clerk/Clerk of the Board] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of California Communities.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by the following vote, to wit:

**AYES:** Council/Board Members \_\_\_\_\_

**NOES:** Council/Board Members \_\_\_\_\_

**ABSENT:** Council/Board Members \_\_\_\_\_

**ABSTAIN:** Council/Board Members \_\_\_\_\_





## FREQUENTLY ASKED QUESTIONS

### **What is California Communities®?**

The California Statewide Communities Development Authority, known as "CSCDA" or "California Communities®," is a joint powers authority sponsored by the League of California Cities ("League") and the California State Association of Counties ("CSAC").

California Communities® was created by the League and CSAC in 1988 to enable local government and eligible private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in local communities throughout California.

### **What is a Joint Powers Authority?**

Under the Joint Exercise of Powers Act, two or more public agencies may by agreement jointly exercise any power common to those public agencies. California Communities® was established with the purpose of issuing bonds to finance projects within the jurisdiction of member public agencies to promote public benefit and pursue economic development.

### **How much public benefit financing has California Communities® issued on behalf of its Program Participants?**

California Communities® has issued more than \$40.2 billion through 1,212 financings since 1988 and consistently ranks in the top 10 of more than 3,000 nationwide public issuers of tax-exempt debt, as measured by annual issuance amount.

### **What types of entities are eligible to participate in California Communities®?**

Cities, counties and special districts can be Program Participants or Members of California Communities®.

### **How many public agencies are Program Participants of California Communities®?**

Currently 500 California local public agencies are members, including 356 cities, 58 counties, 69 special districts and 17 redevelopment/water agencies.

### **How does a public agency become a Program Participant of California Communities®?**

Any city, county, special district or other California local agency can become a member of California Communities® simply by having its governing board adopt a resolution and execute the joint powers agreement.

### **Who are the Commissioners of California Communities®?**

The Commission is made up of local government representatives appointed by the California State Association of Counties and the League of California Cities executive committees.

### **What California Communities® tax-exempt finance programs are available to qualifying nonprofit and private sector projects?**

The following programs are offered by California Communities® to qualifying nonprofit and private-sector projects that provide public benefits to their communities:

- 501(c)(3) Nonprofit Bonds
- Multifamily and Senior Housing Bonds
- Industrial Development Bonds
- Exempt Facilities / Solid Waste / Recycling Facilities and Equipment Bonds

### **What benefits does California Communities® offer to the nonprofit and private sectors?**

California Communities® offers numerous benefits to the nonprofit and private sectors, including:

- Cost effective bond financing for a wide range of public benefit projects.
- Statewide joint powers authority status, allowing the financing of projects virtually anywhere in California.
- In depth knowledge on the issuance and post issuance compliance requirements of private activity bonds, including the state volume cap process when applicable.
- Extensive experience in working with all public finance professionals covering the California marketplace.
- Recognized identity in the tax-exempt marketplace, which is key to marketing the sale of bonds.
- Predictability, responsiveness and an unparalleled level of service.
- **Minimal bureaucracy and paperwork**

### **What California Communities® finance programs are available to public agencies?**

A number of programs are offered by California Communities® that directly benefit California public agencies, including:

- CaLease
- Pension Obligation Bonds
- Statewide Community Infrastructure Program (SCIP)
- Tax Revenue Anticipation Notes (TRANS)
- Water / Wastewater Program

### **What benefits does California Communities® offer to public agencies?**

California Communities® provides:

- Innovative, low-cost, tax-exempt pooled finance programs consistent with the interest and values of city and county shareholders.
- A governing board appointed by CSAC and the League that is directly accountable to city and county shareholders.
- Solutions to the current fiscal needs of city and county shareholders as exemplified by the TRAN pool, Pension Obligation Bonds, VLF and ERAF financings.

- Solutions to the needs of city and county shareholder constituents through the creation of affordable housing, healthcare facilities and employment opportunities, among other services.
- Reductions in shareholder city and county costs, staff time and liability of private activity bond issuance for projects that create jobs and benefit communities, such as health care facilities, affordable housing, solid waste / recycling facilities, manufacturing facilities, recreational and cultural centers.
- Assurance that issuance fees for private activity bonds are invested in new public agency finance programs, such as VLF, dues offsets and statewide advocacy for new programs and initiatives benefiting cities and counties.

**How much does it cost a public agency to be a Program Participant of California Communities®?**

There's no charge to become a member of California Communities®.

**Does a public agency incur any liability by being a Program Participant of California Communities®?**

No. The bonds issued by California Communities® are limited obligations of the borrower, not California Communities® or the Program Participant. The California Communities® joint powers agreement expressly provides that California Communities® is a public entity separate and apart from the Program Participants, and "its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any party to the joint powers agreement." The Program Participants are not responsible for any repayment of debt by borrowers, nor are they named in any of the bond documents.

**What control does a Program Participant have in determining whether a project within its local jurisdiction is financed through California Communities®?**

Federal tax law and Section 9 of the California Communities® joint powers agreement require that a public hearing be held in the jurisdiction where the project is located. This provides members of the public and the governing board the ability to comment and approve or disapprove the issuance of bonds for the project. Any project not approved by the local jurisdiction will not be financed through California Communities®.





CALIFORNIA  
STATEWIDE  
COMMUNITIES  
DEVELOPMENT  
AUTHORITY



# Community Benefit Report 2013 Overview



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY



California State Association of Counties



[www.cacommunities.org](http://www.cacommunities.org)



**CSCDA**  
CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY

## 2013 Overview

The California Statewide Communities Development Authority (CSCDA) was created in 1988, under California's Joint Exercise of Powers Act, to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects.

### Local Government Public Benefit Financings Funded **\$13.7 Billion** for **1,481** Local Agency Participants

\$9 Billion for Tax Revenue Anticipation Notes	\$455 Million for Vehicle License Fee Securitization
\$526 Million for Water/Wastewater Projects	\$258 Million for Tobacco Revenue Securitization
\$414 Million for Pension Obligation Bonds	\$1.33 Billion for Other Bond Programs
\$170 Million Through the Statewide Community Infrastructure Program	

---

### Private Activity Community Public Benefit Projects Funded **\$37 Billion** for **1,905** Local Community Approved Projects

65,445 Affordable Housing Units for 545 Multifamily and 150 Senior Housing Projects  
311 Nonprofit Hospitals and Medical Facilities  
105 Continuing Care Facilities  
186 Educational Facilities  
19 Solid Waste Disposal and Alternative Energy Facilities  
126 Manufacturing Facilities  
173 Other Projects, Including Research Institutes, Rehabilitation and Various Public Benefit Facilities

---

### **\$35 Million** New Markets Tax Credit Allocation Used to Fund **4** Projects in Distressed California Communities

CSCDA was created by and for local governments in California and is sponsored by the California State Association of Counties and the League of California Cities. Currently, more than 500 cities, counties and special districts have become Program Participants to CSCDA - which serves as their conduit issuer and provides access to an efficient mechanism to finance locally-approved projects. CSCDA helps local governments build community infrastructure, provide affordable housing, create jobs, make access available to quality healthcare and education, and more. CSCDA provides an important resource to our local government members.



California State Association of Counties



Search



[CONTACT US](#) [RESOURCES](#) [ABOUT US](#) [APPLY ONLINE](#)

<a href="#">HOME</a>	<a href="#">PUBLIC AGENCY PROGRAMS</a>	<a href="#">PRIVATE ACTIVITY PROGRAMS</a>	<a href="#">NEW MARKETS TAX CREDIT PROGRAM</a>	<a href="#">COMMUNITY BENEFITS</a>	<a href="#">POST ISSUANCE COMPLIANCE</a>	<a href="#">POLICIES AND FEES</a>
----------------------	--	---	--	------------------------------------	--	-----------------------------------

HOME / PUBLIC AGENCY PROGRAMS



CaLEASE

STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (SCIP)

**APPLY ONLINE**

To complete the on-line Application form, please click

**APPLY NOW →**

## PUBLIC AGENCY PROGRAMS

California Statewide Communities Development Authority (CSCDA) creates innovative, low-cost, pooled finance programs to respond to the fiscal needs of city and county participants. The program is designed to address short-term borrowing needs, budget shortfalls, and provide access to capital for critical infrastructure improvements. City and county participants control all private activity bond issues through required local public hearings.

### CSCDA offers the following Public Agency Programs:

#### California Lease Finance Program (CaLease)

This program offers tax-exempt lease financing to public agencies for capital projects, and equipment without the traditional expense or complexity of other finance mechanisms.

#### Statewide Community Infrastructure Program (SCIP)

SCIP allows participating local agencies to receive impact fees prior to development, while property owners repay the tax-exempt obligation over a thirty year bond term. SCIP may eliminate the need for local agencies to negotiate deferral fee agreements.

#### Delinquent Property Tax Funding Program

This program enables cities and districts that do not participate in a county Teeter plan to sell or assign their share of their county's delinquent 1% levy taxes to the CSCDA; and similarly enables Community Facilities and Special Assessment Districts to sell or assign their delinquencies to the CSCDA. This program could also be used by cities and districts that do participate in a Teeter plan, but have some non-Teetered special tax or fund delinquencies. For information or to apply for this program, please click [here](#).

39



**98**  
**WATER SYSTEMS**  
**UPGRADED**

UNDED AND SPONSORED BY



[HOME](#) | [PUBLIC AGENCY PROGRAMS](#) | [PRIVATE ACTIVITY PROGRAMS](#) | [New Markets Tax Credit Program](#) | [COMMUNITY BENEFITS](#) | [POST ISSUANCE COMPLIANCE](#) |  
[POLICIES AND FEES](#)

2014 CSCDA, ALL RIGHTS RESERVED.

[PM LOGIN](#) | [LEGAL](#) | [PRIVACY POLICY](#)

40

# California Statewide Communities Development Authority (CSCDA) Fee Schedule

Bond Program	Issuance Fee		Fee	Annual Administration Fee	Assessed Against
	Up to \$20 Million	Over \$20 Million			
Housing <sup>1</sup>	0.20% (Min \$15,000)	\$40,000 + 0.125% over \$20 M	0.05%		Aggregate Principal O/S on interest payment date <sup>2</sup>
501(c)(3) Nonprofit Housing <sup>1</sup>	0.20% (Min \$15,000)	\$40,000 + 0.05% over \$20 M	0.05%		Aggregate Principal O/S on interest payment date <sup>2</sup>
501(c)(3) Nonprofit	0.20% (Min \$15,000)	\$40,000 + 0.05% over \$20 M	0.015%		Aggregate Principal O/S on interest payment date <sup>3</sup>
Municipal	0.15% (Min \$7,500)	\$30,000 + 0.025% over \$20 M	0.015%		Aggregate Principal O/S on interest payment date
Airports/Solid Waste/Exempt Facilities	0.25% (Min \$25,000)	\$50,000 + 0.125% over \$20 M	0.05%		Aggregate Principal O/S on interest payment date
Taxable	0.25% (Min \$25,000)	\$50,000 + 0.125% over \$20 M	0.015%		Aggregate Principal O/S on interest payment date
Mello Roos <sup>4</sup>	0.25% (Min \$30,000)	\$50,000 + 0.25% over \$20 M	0.25% + Actual Costs		Aggregate Issuance Amount
Industrial Development Bonds	\$25,000	N/A	0.10%		Aggregate Principal O/S on interest payment date

Note: Bond Programs require one \$5,000 Fee Deposit, per borrower, per calendar year which is applied to the issuance fee at closing.

Bond Program	Issuance Fee		Annual Administration Fee
	Up to \$3 Million	Over \$3 Million	
IDB LBP & EP, Solid Waste EP, Nonprofit	3.00% (Min \$60,000)	2.00%	None

Note: Small Issue Public Benefit Bond Programs require one \$2,500 Issuance Fee Deposit, per borrower, per calendar year which is applied to the issuance fee at closing.

<sup>1</sup> One-half of the Annual Administration Fee for Housing Bond issuances will be collected at the time of issuance.

In addition, CSCDA reserves the right to collect all issuance fees upfront as a deposit for any bond issuance requiring volume cap allocation.

<sup>2</sup> Minimum Annual Administration Fee for Housing bond issuances is \$5,000 per project (a \$1,000 annual compliance monitoring fee will replace the existing Annual Administration Fee throughout the CDLAC Compliance Period after the Qualified Project Period has expired).

Projects requiring IRP monitoring will be charged: \$10,000 (in addition to the Annual Administration Fee) for CSCDA issued projects or \$15,000 for non-CSCDA issued projects.

<sup>3</sup> Health Facility Financials: Issuance Fee will be capped at \$100,000 and the Annual Administration Fee capped at \$150,000.

<sup>4</sup> Mello Roos issues require all fees + \$20,000 upfront as a deposit.





Search [CONTACT US](#) [RESOURCES](#) [ABOUT US](#) [APPLY ONLINE](#)[HOME](#)[PUBLIC AGENCY  
PROGRAMS](#)[PRIVATE ACTIVITY  
PROGRAMS](#)[NEW MARKETS TAX  
CREDIT PROGRAM](#)[COMMUNITY  
BENEFITS](#)[POST ISSUANCE  
COMPLIANCE](#)[POLICIES AND  
FEES](#)[HOME / ENERGY FINANCE PROGRAMS](#)

## ENERGY FINANCE PROGRAMS



**\$11.5  
BILLION  
TO ASSIST  
LOCAL AGENCIES**

California Statewide Communities Development Authority (CSCDA) creates innovative, low-cost, pooled finance programs to respond to the fiscal needs of city and county participants. The program is designed to address short-term borrowing needs, budget shortfalls, and provide access to capital for critical infrastructure improvements. City and county participants control all private activity bond issues through required local public hearings.

### CaliforniaFIRST

CaliforniaFIRST is a multi-jurisdictional Property Assessed Clean Energy (PACE) program. PACE is an innovative financing tool that allows property owners to secure upfront funding for energy and water-saving improvements, which they repay through a voluntary special assessment on their property tax bill. The CaliforniaFIRST program currently includes 17 counties and over 140 cities representing a population of over 11 million California residents.

PACE is designed to provide financing for both residential and commercial property owners. CaliforniaFIRST currently offers PACE financing for commercial properties; the program will offer PACE financing to residential property owners beginning in the summer of 2014. Commercial properties include multifamily buildings with 5 or more units, industrial, retail, agricultural and commercial properties.

For more information, please contact the Program:

Email - [info@CaliforniaFIRST.org](mailto:info@CaliforniaFIRST.org)

Phone - (510) 692-9995

Web - [www.CaliforniaFIRST.org](http://www.CaliforniaFIRST.org)

### Sustainable Energy Bond Program

CSCDA and the Foundation for Renewable Energy and Environment are teaming together to provide public agencies and nonprofit organizations throughout California with access to tax exempt financing for critical sustainable energy investments. Under the Sustainable Energy Bond Program, participating entities and organizations will contract with an Energy Service Company (ESCO) to complete energy and water conservation measures. Improvements could include street lighting, building lighting, pumps, HVAC, system controls, boilers, chillers, ducting, windows, partial roofing, toilets and others. The program participants will receive substantial utility cost savings, including a contractual guarantee sufficient to cover the full cost of all retrofit work. All projects are financed through tax exempt bonds.

[View the recorded webinar](#)

[Download the PDF Presentation](#)

42

FOUNDED AND SPONSORED BY



---

[HOME](#) | [PUBLIC AGENCY PROGRAMS](#) | [PRIVATE ACTIVITY PROGRAMS](#) | [New Markets Tax Credit Program](#) | [COMMUNITY BENEFITS](#) | [POST ISSUANCE COMPLIANCE](#) |  
[POLICIES AND FEES](#)

© 2014 CSCDA, ALL RIGHTS RESERVED.

[PM LOGIN](#) | [LEGAL](#) | [PRIVACY POLICY](#)





[Skip to content](#)

- [Property Owners](#)
- [Contractors](#)
- [Participating Areas](#)
- [Apply](#)
- [Contact](#)

## About CaliforniaFIRST

CaliforniaFIRST gives owners of commercial buildings the flexibility to choose a contractor and install a custom-tailored clean energy project. Property owners also choose the best financing option, with the investors' repayment secured through a special tax assessment levied on the property and repaid by the owner through the property tax bill.

CaliforniaFIRST is a program of California Statewide Communities Development Authority (CSCDA), a statewide joint powers authority sponsored by the California State Association of Counties and the League of California Cities. Its mission is to provide local governments access to low-cost financing for projects that provide a tangible public benefit, contribute to social and economic growth, and improve the overall quality of life in local communities. CSCDA currently has over 500 local government members.

Following a competitive process, CSCDA selected a program team to offer a complete PACE program to cities and counties throughout the State, including administration, legal and finance. [Renewable Funding](#) was selected as the CaliforniaFIRST Program administrator. The Program's legal counsel includes [Jones Hall](#) (bond counsel) and [Orrick](#) (issuers, disclosure and validation counsel).

- [About CaliforniaFIRST](#)
- [For Lenders](#)
- [For Governments](#)
- [News](#)
- [Terms of Use](#)
- [Privacy Policy](#)



43



### Initial List of Authorized Improvements

	Category	Measures
Energy Efficiency	Air Sealing and Ventilation	Air Filtration
		Air Sealing
		Air Barriers
		Bathroom fan
		Ceiling fan
		Crawlspace Sealing
		Duct Sealing
		Whole House Fan
	Insulation	Roof
		Attic
		Duct
		Floor
		Hot Water System
		Wall
	Space Heating and Cooling	Cogeneration furnace
		Demand Recirculation Pump
		Duct Replacement
		Ducted Heat Pump
		Evaporative coolers
		Exhaust Fan
		Geothermal Heat Pump
		Heat Recovery Ventilation System
		High Efficiency Air Conditioner
		High Efficiency Furnace
		Radiant Barrier Installation
		Solar Space Heating
		Thermostat Installation
		Weatherization
	Water Heating	High Efficiency Hot Water Boiler
		High Efficiency Water Heater
		Tankless Water Heater
		On demand Recirculation Pump
	Lighting	High Efficiency Lighting Retrofit
		Lighting (hard wired)
		Lighting controls, including occupancy sensors
	Windows, Doors and Skylights	Skylight
		Window Replacement
		Window Film
	Charging Stations	Electric Vehicle Plug-in Station
	Reflective Roof	White Roofing
Renewable Energy	Solar	Solar Thermal Installation
		Solar Photovoltaics
	Wind	Wind Turbine Power System
	Fuel Cell	Fuel Cell Power System
Water Efficiency	Fixtures	Low Flow Showerheads
		Low flow showers
		Toilets: flush a 1.28 gpf or less
		Urinals: flushing at 0.5 gpf or less
		Showerheads: flow at 1.5 gpm or less
		Aerators: flow at 1.0 gpm or less
	Irrigation	Irrigation System
		Irrigation Control System
	Landscaping	Grey water systems
	Other	Other measures such as potable water offsets, efficiency improvements, process improvements and storm water management improvements shall be considered on a case-by-case basis in consultation with the CaliforniaFIRST program.

